

Federal Financial Institutions Examination Council



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Press Release

For Immediate Release

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The Federal Financial Institutions Examination Council (FFIEC) today announced the availability of data for the year 2004 regarding mortgage lending transactions at 8,853 financial institutions covered by the Home Mortgage Disclosure Act (HMDA) in metropolitan statistical areas throughout the nation. The HMDA data made available today include disclosure statements for each financial institution, aggregate data for each metropolitan statistical area (MSA), nationwide summary statistics regarding lending patterns, and the Loan Application Register (LAR) submitted by each institution to its supervisory agency on March 1, 2005, modified for borrower privacy. The FFIEC prepares and distributes these data products on behalf of its member agencies--the Federal Deposit Insurance Corporation, Federal Reserve Board, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision--and the Department of Housing and Urban Development.

The HMDA data made available today reflect new information collected for the first time in 2004, including information relating to loan pricing, whether a loan or application relates to manufactured housing, and whether a loan is secured by a first or subordinate lien, or is unsecured. The pricing data are intended to advance enforcement of consumer protection and anti-discrimination laws and to improve mortgage market

efficiency. Loan price data and other HMDA data can be used by the agencies and others as a screening tool to identify aspects of the higher-priced mortgage market that warrant a closer look to determine whether there is abuse or discrimination. In addition, the 2004 data reflect changes in other data items, including revisions to the classification of applicants and borrowers by ethnicity and race. The changes in the data result from the Federal Reserve Board's amendments to regulations implementing HMDA (Regulation C), finalized in 2002 and effective for data collected beginning January 1, 2004. More information about the new HMDA data requirements is available at

<http://www.federalreserve.gov/boarddocs/press/bcreg/2005/20050331/attachment.pdf>

The aggregate 2004 data show that the incidence of higher-priced lending (that is, the proportion of loans that are higher-priced) varies by loan product, lender, geographic market, race, and ethnicity. The HMDA data are not, by themselves, a basis for definitive conclusions regarding whether a lender discriminates unlawfully against particular borrowers or takes unfair advantage of them. For example, the HMDA data do not include certain determinants of credit risk that some lenders consider in pricing mortgage loan products, such as the borrower's credit history, loan-to-property-value ratio, and consumer debt-to-income ratio. Conclusions from the HMDA data alone, therefore, run the risk of being unsound, which in turn may reduce the data's effectiveness in promoting HMDA's objectives. Nevertheless, the HMDA pricing data are expected to serve as a useful screening tool for identifying institutions that warrant further scrutiny.

Users of the 2004 data should be aware that transition rules established by the Federal Reserve Board for 2004 reporting of HMDA data raise important analytical

issues. For this reason, the FFIEC has included a data item on each institution's modified LAR data to allow users to identify loans affected by the transition rules. In addition, the 2004 data are also affected by the U.S. Office of Management and Budget's (OMB) 2003 revisions to the boundaries of MSAs. More information about the transition rules and the OMB revisions is available at

<http://www.federalreserve.gov/boarddocs/press/bcreg/2005/20050331/attachment.pdf>.

How to obtain FFIEC-prepared HMDA data: Lenders are required to make the disclosure statements available at their home offices within three business days of receiving the statements. In addition, for other MSAs in which they have offices, lenders must either make a copy of the statements available at one branch per metropolitan statistical area or provide a copy upon written request. The disclosure statements and aggregate reports are now available for public inspection at central depositories throughout the nation. The location of the central depository for a metropolitan statistical area can be obtained by calling the FFIEC at 703/516-5588. The FFIEC distributes the disclosure statements to institutions and central depositories in electronic form only.

Disclosure statements and aggregate reports are also available today on the FFIEC web site (<http://www.ffiec.gov/hmda>). An order form gives descriptions of the various reports, prices, and formats. It is available for printing from the FFIEC web site (www.ffiec.gov/hmda/orderform.htm). Advance orders will be filled when the data become available.

Questions about a HMDA report for a specific lender should be directed to the lender's supervisory agency at the number listed below:

Federal Deposit Insurance Corporation — 877/275-3342; hearing impaired — 800/925-4618

Federal Reserve Board, HMDA Assistance Line — 202/452-2016

National Credit Union Administration, Office of Examination — 703/518-6360

Office of the Comptroller of the Currency, Compliance Policy Division — 202/874-4428
Office of Thrift Supervision, HMDA Hotline — 202/906-6342
Department of Housing and Urban Development, Office of Housing — 202/755-7530.

Data on Private Mortgage Insurance

The FFIEC also provides data from the nation's seven private mortgage insurance (PMI) companies. The 2004 PMI data include information on approximately 2.1 million applications for mortgage insurance; about 1.3 million applications were to insure home purchase mortgages, and about 650,000 were to insure mortgages to refinance existing obligations. These data are also available today--at individual PMI companies, at the central depositories in each MSA, and from the FFIEC--in the same types of reports and in the same formats as the HMDA data.

Attachment:

- HMDA Data Order Form and Item Description

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The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. The Council has five member agencies: the Board Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. The Council's activities are supported by interagency task forces and by an advisory State Liaison Committee, comprised of five representatives of state agencies that supervise financial institutions.